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Economic Services Division

NSA Declassification/Release Instructions on File

Committee on China

(Minutes of the Twentieth Meeting -- 0930 hours, 3 February 1955)

Present: All members

Guests:

25X1X7

Discussion was confined to the following current news items:

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& NSA 25X3

2. A report of tonnage shipped on the Sungari River for 1954 shows 1,100,000 tons, or 80% over 1953. This is believed to be carried mostly in Chinese vessels.

3. The railroad from Hanoi to Dongfang will be constructed by the railway engineering corps of the China National Communications Engineering Corporation. This organization has not been in evidence before. Although the appearance of a new name may be attributable to translation vagaries, an effort will be made to identify this organization more accurately.

4. There was discussion of the reported railroad construction to Fort Bayard. There would seem to be no apparent strategic value for such a line unless:

(a) the Chinese intend to develop a steel industry in the area, based on the iron ore of Hainan and the coal of North Vietnam.

(b) the Chinese are reluctant to be dependent on rail lines through Vietnam for their access to the coast in this area.

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5. An interrogation report [REDACTED] gives some details about a railroad repair shop at Hai-lun.

6. There is increasing evidence that the effects of the 1954 floods in the Wuhan area, plus the winter storms have placed a severe strain on the economy of the area.

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7. At a debriefing of a State Department political officer from Seoul, the opinion was expressed that North Korea represents the nadir of reliability among Bloc countries in its claims of production and economic recovery; he also indicated his belief that the CIA estimate of the North Korean population (7.7 million) is far too high. Messrs [REDACTED] plan to consult with this officer on this and other matters, since he is now assigned to OIR.

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